

For the existing Articles 606 to 636, substitute the following:—

## Chapter 30.—Currency Notes.

Receipt . . . . .	606	Forged Notes . . . . .	622
Payment . . . . .	607	Defective Notes . . . . .	623
Issue and Exchange . . . . .	608	Notes wholly destroyed . . . . .	624
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### Receipt.

**606.** Government Currency notes of the denominations of Rs. 5, 10, 50 and 100 which are designated universal Currency notes shall be received by all Government officers in payment of Government dues or in settlement of other transactions, irrespective of the circle from which the notes may have been issued; notes of higher denominations shall be received only within the limits of the circle of issue to which the notes belong.

**NOTE 1.** The above rule applies also to receipts by officers of Railway Companies in payment of fares and freight. In the case of lines traversing more than one circle of issue, non-universal notes of each circle will be received at stations of the Railway, situated within that particular circle, and the railway authorities will arrange that collections in non-universal notes of any circle are paid into a treasury situated within that circle.

**NOTE 2.** To prevent counterfeit notes being substituted for genuine notes during transit care should be taken when currency notes form a portion of a remittance from a Post Office to any treasury or sub-treasury or to the Bank of Bengal, Madras or Bombay, to impress on the back of each note the dated stamps of the remitting Post Office.

**NOTE 3.** The several circles of issue of Paper Currency as now constituted with their territorial limits are as follows:—

Name of Circle.	Territorial limits.
Calcutta . . . . .	All the territory under the Governor of Bengal, the Lieutenant-Governor of Bihar and Orissa, the Chief Commissioner of Assam, the Superintendent, Port Blair, Chief Commissioner, Andamans, and the Bikaner State.
Cawnpore . . . . .	The territory under the Lieutenant-Governor, United Provinces of Agra and Oudh, the cantonment and civil lines of Nowgong, Sambhar and the Bharatpur and Dholpur States, and the lands occupied by the (a) Bina-Agra portion; (b) the Cawnpore Branch; and (c) the Manikpur Branch of the Great Indian Peninsula Railway, Midland Section.
Lahore . . . . .	The territory under the Lieutenant-Governor of the Punjab, the Chief Commissioner, North-West Frontier Province, and the Chief Commissioner Delhi.
Bombay . . . . .	All the districts of the Bombay Presidency Proper, the Central Provinces and Berar, and all the districts in Ajmer-Merwara, and the areas in the Hyderabad (Deccan) State in which the Governor General in Council exercises jurisdiction through the Resident, the cantonments of Baroda, Mhow, Nimach, Agar, Guña and Sehore, the Indore Residency Bazzars, the Native States in Rajputana, except the Bikaner, Bharatpur, and Dholpur States, and the railway lands in Central India and Rajputana except those mentioned under Cawnpore.
Karachi . . . . .	Province of Sindh and Baluchistan (British and Agency).
Madras . . . . .	All the districts in the Presidency of Madras, the territory administered by the Chief Commissioner of Coorg, and the Civil and Military Station of Bangalore.
Rangoon . . . . .	All the territory under the Lieutenant-Governor of Burma.

**NOTE 4.**—No notes of the denomination of Rs. 20 will hereafter be issued, but those which are already in circulation will be treated by Government officers like universal notes although they have not been declared to be universal under the Indian Paper Currency Act II of 1910.

### Payment.

**607.** Except at an office of issue, universal notes are legal tender throughout British India in satisfaction of any claim against Government; and subject to the same exception, other notes are legal tender at any place, within the circle from which they were issued. Endeavour should, however, always be made so far as possible to meet the requirements of the payee as to the form of currency in which he desires to take payment.

### Issue and Exchange.

**608.** The supply of notes to meet local demands and the encashment of notes when presented, form a very important part of the resource operations of a province, and it is the duty of every Accountant General to keep all his treasuries well supplied with notes with reference to the public demand for them by indent from head-quarters or by remittances from other treasuries. The arrangements necessary for the encashment of notes are described in the following articles.

**609.** No restrictions are imposed on the issue of notes at treasuries in exchange for cash or for universal or home circle notes of other denominations.

**610.** Although no person has legal claim to obtain cash for notes presented at a Government treasury, Government desire that this accommodation be given whenever possible, and that all applications for exchange should be granted provided that the coin or notes applied for are available, subject to any general or special limitations which the Accountant General may find it necessary to impose from time to time.

**611.** Subject to any limitations which the Accountant General may find it necessary to impose in particular cases (*vide* preceding article), the Treasury Officer should, whenever he is satisfied that no inconvenience will be caused to the treasury by the encashment of any universal notes or home notes likely to be presented, exhibit in some conspicuous place a placard in English and the vernacular notifying that he is prepared to give cash for such notes. If the Treasury Officer can spare cash for only a limited amount of notes he is at liberty to notify that he is prepared to give cash for universal notes only or for notes of the lower denominations only. Care should, however, be taken that no corrupt or undue preference be shown to any individual.

**NOTE 1.**—Whenever there are reasons to believe that notes are selling in the local market at a discount or a premium in large amounts, Treasury Officers should at once bring the fact to the notice of the Accountant General.

**NOTE 2.**—Universal notes and home notes to a limited extent may be cashed for the convenience of travellers when the treasury is unable to cash them for the general public.

**NOTE 3.**—Permission has, in some cases, been given for encashment of notes at sub-treasuries under the same conditions. This facility may be extended under the orders of the Accountant General as opportunity offers.

*Page 259, Article 615 (c)—*

*Cancel this Article.*

~~14th~~  
*14th List - 1-7-16.*

## Currency Chests.

612. Currency chests have in the past usually been opened at treasuries for the convenience of resource operations. These can, however, also be utilised in order to facilitate the free issue and encashment of notes, and Accountants General should take steps, where necessary, to open currency chests where they appear to be required for the latter purpose, either by the remittance of notes or coin, or by an order passed to transfer notes or coin from treasury to currency.

613. The ordinary exchanges with the public should be made by the treasury. Where, however, a currency chest has been opened at a treasury, this will be used as a reserve when the proportion of notes or coin in the treasury becomes inconveniently large. It will not therefore be necessary in every case that a currency chest should be operated on daily. If the chest can give no assistance the facilities afforded to the public must necessarily be stopped, *e. g.*, if notes accumulate, and the whole balance in the chest consists of notes, no more can obviously be cashed for the public. Such a state of things should not, however, ordinarily be allowed to occur, and the balances of coin and of notes in the chest should be regulated by the Accountant General by remittance if necessary with reference to the requirements of Government and the public demand from time to time.

614. When the Treasury Officer receives a special order from the Accountant General to pay over or to take out a sum of money, in coin or notes, into or from the currency chest, he will enter it in his cash book as a remittance to or from currency with reference to the order received; and will show it as a deposit or withdrawal of the amount in the currency chest book.

NOTE.—Transactions of this kind are always ordered in pairs, that is, an order to Treasury Officer A, to transfer money from currency, to treasury can never issue until the Accountant General has ascertained that Treasury Officer B has made a corresponding payment from his treasury into currency. The Accountant General will see that the two cross-transactions are taken against each other in the provincial Accounts.

615. (a) It must be remembered that coin held in a currency chest is part of the reserve maintained under Act II of 1910, against the currency circulation; it must be kept quite separate from the treasury balance and treasury accounts, and must not, on any account, be touched except in conformity with these rules. An entirely separate receptacle must, therefore, be set aside in the treasury for the currency department funds.

(b) With the exception of occasions on which a transfer is made under the orders of the Accountant General, referred to in the preceding article, this chest should always contain the same total amount. Coin may, however, be taken out and notes deposited, or *vice versa* or one description of notes or coin may be exchanged for another. The Accountant General may also empower Treasury Officers to deposit surplus treasury funds into the currency chest without his previous sanction in each case. Immediate intimation of such deposits will be given to the Accountant General to enable him to arrange for opposite transfers elsewhere.

(c) One key of the separate receptacle in which the currency department funds are deposited must be kept by the Collector or some other gazetted officer who is not in personal charge of the treasury balance.

616. A currency chest book (Form 84), or a duplicate of it, should be kept in the chest, and the balance proved and signed at every transaction. The slip in Form 84 (a), signed by the Treasury Officer, the Treasurer and the officer holding the second key, must be sent at the close of the day to the head office of the circle and to the Accountant General whenever the chest is opened; no further accounts are necessary.

617. Copper, bronze or nickel coins must never be deposited in the chest, as the law does not admit of their being held as currency reserve, but a reasonable portion of the reserve may be kept in the form of small silver coin.

618. The exchanges with the chest should be always in even hundreds of rupees, and transactions should, if possible, be avoided in the last few days of the month, so that the correct closing monthly balance may always be known at the head office. If important exchanges take place too late for the slip to reach the head office by post, the transaction should be telegraphed shortly (e.g., "Currency Chest to Currency Commissioner. Withdrawn Rs. 30,000 deposited 300 notes for 100").

619. The currency chest balance should be verified monthly, except when it is deposited with a branch of the Presidency Bank, in which case the balance need be verified only on March 31st and September 30th, and the verification certificate should be sent to the head office of the circle.

As in the case of the treasury balance, it should be verified by the District Officer when at headquarters. When he is absent on tour on the 1st of the month and the key of the chest is left with a Gazetted Officer other than the Treasury Officer under Article 615(c), the chest balance may be verified by the officer who verifies the treasury balance under Article 336, subject to the condition therein stated; when the key of the chest is with the Collector on tour the verification should be made by him immediately on return to headquarters.

### Re-issue of Notes, Custody of Notes and Disposal of Non-issuable Notes.

620. The re-issue of notes from the currency offices has been discontinued. It is obviously to the interest of the popularity of the note issue that clean notes only should be put into circulation. This measure has, at the same time, the advantage of making it more difficult for forged notes to escape detection, as these are frequently intentionally soiled or smudged in order to conceal their defects. In the case of district treasuries it is not at present feasible entirely to discontinue reissues. Accountants General should, however, arrange to keep their treasuries supplied with sufficient stocks of clean notes in order to meet all probable demands. Notes much soiled or worn should not in any case be reissued to the public and cut notes should not ordinarily be reissued. Notes unfit for reissue should be sent to the treasury at the headquarters of the Local Government (or other treasury named by the Accountant General) in the first remittance made thither.

Subject to these remarks, all universal notes, if fit for issue, may be issued to the public irrespective of the circle from which they were issued. They should, irrespective of circle of issue, also be treated like home notes for

*Page 259, Article 616.*

*Insert the word "and" after the words "Treasury officer" in line 3 and omit the words "and the officer holding the second key" in line 4.*

*14th List—1-7-16.*

*Page 260, Article 619.*

*For the second paragraph substitute:—*

*"The verification will be made by the officer who verifies the treasury balance under Article 336, subject to the condition therein stated."*

*14th List—1-7-16.*

purposes of transfer to currency chests or disposal in any other manner under standing orders of the Accountant General.

NOTE 1.—The circles of issue are, in the case of universal notes, indicated by a distinctive letter printed on the note, thus C for Calcutta, A for Cawnpore, L for Lahore, B for Bombay, K for Karachi, M for Madras and R for Rangoon.

NOTE 2.—Notes of the denomination of Rs20 should not be issued to the public, but should be remitted away under the instructions of the Account Office.

NOTE 3.—A foreign circle note, i.e., a non-universal note of a foreign circle, accepted by mistake may be treated in the same way as a universal note but should be remitted immediately to the head office of the circle of issue, an explanation being at the same time furnished to the local Accountant General.

621. (a) In order to obviate unnecessary issues from the double locks, notes received across the counter in the course of daily transactions may, if necessary, be reissued at once provided they are in good condition.

(b) Notes deposited in the Treasury under double locks should be kept in order of receipt in bundles according to denominations, each bundle containing not more than 100 notes; they should be reissued to the public or remitted to another treasury in the same order. All notes should be stored separately from coin in a tin box or other receptacle designed to protect them from injury by damp, insects, etc.

### Forged Notes.

622. In the event of a forged note being presented, the note and the presenter should be made over to the police, if the Treasury Officer considers it advisable to do so. Notes disfigured by oil or other substances should be scrutinised with special care, as counterfeit notes are sometimes intentionally thus disfigured to render detection difficult.

### Defective Notes.

623. Half, mutilated, mismatched or altered notes and notes disfigured by oil or other substances in such manner as to render their identification doubtful should never be received in payment of Government dues or cashed. The holder should be advised to apply to the Currency Office of the circle to which the notes belong for instructions regarding the procedure under which the value of such notes can in some cases be recovered.

NOTE.—Currency notes with only a slight mutilation which does not interfere with identification or suggest fraud, may be received in the treasury and dealt with under Article 620. The features necessary for the identification of a note are its serial letter, number, denomination, place of issue, signature, and watermark.

### Notes wholly destroyed.

624. (a) The State is legally under no obligation to pay a currency note which cannot be presented; but when a person claiming payment of a note which he is unable to produce can satisfy the Commissioner beyond all reasonable doubt that the note (which must be absolutely identified) has either been destroyed or lost under such circumstances that there is no probability of its ever being presented for payment, the Commissioner may direct as follows :—

- (1) That after two years from the first advertisement of the loss, the value of the note may be paid by the Currency Officer and invested, if possible, in Government securities, or, if the amount is too small, then paid into the Government Savings Bank.

- (2) That after a period of twenty years from the date of advertisement, if meantime the note has not been presented for payment, the said investment, with accumulated interest (or the said deposit, if no investment has been made), be delivered to the claimant or his assignee, or other legal representatives, upon a bond of indemnity with two personal sureties attached.

The Commissioner may, at his direction, dispense with sureties in any case when he is satisfied that such a course is desirable and is not likely to lead to difficulties in recovering the value of the notes from the payee in the event of the notes themselves being presented for payment.

(b) Claimants in respect of notes so lost or destroyed should be informed accordingly, and should be advised to apply to the Currency Office of the circle to which the notes belonged.

### Indents.

625. When notes are wanted in a district, an indent in detail should be submitted; and it may well accompany the monthly cash balance report.

### Quarterly Returns.

626. Every Treasury Officer will prepare (in Form 82) a quarterly memorandum showing the receipt and issue of Government currency notes in and from his head and sub-treasuries, and will submit it to the Accountant General. In the case of those treasuries which bank with a Presidency Bank or branch Bank, the memorandum will show the transactions at sub-treasuries only.

NOTE.—To assist in the preparation of this return, it is suggested that a register in Form 83 should be kept in the vernacular in each treasury and sub-treasury, and should be posted daily. Notes received across the counter in the course of daily transactions and reissued under the provisions of Article 621 should be entered in this register like other transactions. The daily entries should be totalled at the end of each month. If the entries have been accurately made, the opening balance plus total of receipts will be equal to the closing balance plus total of issues. At the end of the quarter, the totals of the three months for both district and sub-treasuries should be summed up and posted in Form 82. Where there is a branch of the Presidency Bank, the register will be opened for transactions at sub-treasuries only. The register will give only the total value of the notes received and issued under each head in each day.

627—636. *Cancelled.*

(12th List—3-1-16.)



*Add in continuation of the previous additions in the column Territorial limits against the circles named below :—*

Calcutta	.	.	.	.	.	And the Bikaner State.
Cawnpur	.	.	.	.	.	And Sambhar and the Bharatpur and Dholpur States.
Bombay	.	.	.	.	.	And the Native States in Rajputana, except the Bikaner, Bharatpur, and Dholpur States.

*3rd List—30-9-13.*

*Add in continuation of previous additions in the column Territorial limits against the circles named below :—*

Cawnpur	.	.	.	.	.	And the lands occupied by the (a) Bina Agra portion; (b) the Cawnpur Branch; and (c) the Manikpur Branch of the Great Indian Peninsula Railway, Midland Section.
Bombay	.	.	.	.	.	And the Railway lands in Central India and Rajputana except those mentioned under Cawnpur.

*3rd List—30-9-13.*

*Add the following in the column "Territorial limits" against the Circles named, after making the necessary changes in punctuation, etc. :—*

Cawnpore	.	.	.	and the cantonment and civil lines of Nowgong.
Bombay	.	.	.	The cantonments of Baroda, Mhow, Nimach, Agar, Guna and Sehore, and the Indore Residency Bazzars.

*2nd List—1-6-13.*